PROVINCE OF BRITISH COLUMBIA

F[illegible]-Third Annual Report

of the Business Done in Pursuance of the

Pension (Public Service) Act

YEAR ENDED MARCH 31

1988

PRINTED BY
AUTHORITY OF THE LEGISLATIVE ASSEMBLY

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PROVINCE OF BRITISH COLUMBIA

Fifty-Third Annual Report

of the Business Done in Pursuance of the

Pension (Public Service) Act

YEAR ENDED MARCH 31

1988

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To: The Honourable DAVID C. LAM,
Lieutenant-Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

The undersigned respectfully submits the Report of the business done in pursuance of the Pension (Public Service) Act during the fiscal year ended March 31, 1988.

CLIFF MICHAEL
Minister of Government
Management Services

Office of the Minister of
Government Management Services
Victoria, British Columbia
March 17, 1989

90-00658/

The Honourable Cliff Michael
Minister of Government
Management Services
Victoria, British Columbia

SIR:

I have the honour to lay before you the Report of the business done in pursuance of the Pension (Public Service) Act during the fiscal year ended March 31, 1988.

Respectfully submitted,

JOHN W. COOK
Superannuation Commissioner

March 17, 1989

PENSION (PUBLIC SERVICE) ACT

ANNUAL REPORT

Report of the business done in pursuance of the *Pension (Public Service) Act* for the fiscal year ended March 31, 1988

Sections 1,3,4,6,7,8,10,13,15,17,19,41 (members' and employers' contributions) — Members' contributions amounted to $72,219,387 made up as follows:

	$
Compulsory and arrears contributions	71,128,866
Voluntary contributions	204,998
Reinstatement	203,202
Purchase of service	682,321
	72,219,387

As at March 31, 1988 there were 44,652 active contributors.

Employers' contributions amounted to $145,005,832 made up as follows:

Minister of Finance and Corporate Relations—	$
Early Retirement Incentive Program	42,250,000
Compulsory and arrears	70,209,414
Purchase of service	447,156
Reinstatement	199,411
	113,105,981
Other employers—	
British Columbia Assessment Authority	1,792,571
British Columbia Buildings Corporation	2,349,205
British Columbia Development Corporation	151,719
British Columbia Ferry Corporation	6,915,542
British Columbia Housing Management Commission	481,158
British Columbia Institute of Technology	2,066,043
British Columbia Petroleum Corporation	67,310
British Columbia Place Ltd.	111,148
British Columbia Place Stadium	38,342
British Columbia Steamship Company (1975) Ltd.	40,153
British Columbia Systems Corporation	1,482,106
British Columbia Transit	8,321,982
Emergency Health Services Commission	2,072,789
Employees' union, credit unions and associations	353,046
British Columbia Pavilion Corporation	203,629
Kamloops Society for Alcohol and Drug Services	2,467
Liquor Distribution Branch	4,487,701
Post Secondary Education Councils	16,155
Regional colleges	15,924
British Columbia Mental Health Society	792,515
	31,761,505
Purchase of service	138,346
	145,005,832

Section 11 — As at March 31, 1988 deposits with the bank at credit of the Public Service Superannuation Fund amounted to $939,752. Short-term investments held by the Fund amounted to $33,513,456 at cost. Units in Province of British Columbia Pooled Investment Portfolios held by the Fund amounted to $960,078,996 at book value. Long-term investments held by the Fund amounted to $1,853,903,732 at book value and are detailed on Schedule 1. A comparative summary of investment transactions and earnings is attached to this report in Schedule 2.

Section 12 — Income from investments earned by the Fund during the year amounted to $261,335,117.

This amount is distributed to the accounts of the Fund at interest rates specified in the Act or Regulations. For members entering the service subsequent to April 1, 1958, interest at 4% per annum is credited to the member and employer accounts. For members entering service prior to April 1, 1958, a rate of 5% per annum was used. Interest at 6% per annum was credited to members' voluntary accounts and 5% per annum was credited to the Contributory Pensions Account.

An order-in-council was proclaimed in 1984 which changed interest rates paid to member and employer accounts to a fluctuating rate based on the lesser of the net earned rate of the Fund or the average interest rate paid on three major chartered banks non-chequing savings accounts. This interest rate is subject to a 6% minimum. For the period April 1, 1987 to March 31, 1988, this rate was 6% per annum compounded semi-annually.

For 1987/88, the interest credited to the accounts of the Fund are as follows:

	$
Members' Compulsory Contributions Basic Account	24,321,577
Members' Compulsory Contributions Inflation Adjustment Account	3,866,755
Members' Voluntary Contributions Account	317,659
Employer Contributions Basic Account	24,321,577
Employer Contributions Inflation Adjustment Account	3,866,755
Contributory Pensions Account	26,745,057
Special Agreement Account re certain former employees of B. C. Hydro and Power Authority	1,980
Special Agreement Accounts re certain employees of the Liquor Distribution Branch	1,241
Special Agreement Account re certain former employees of Medical Services Association	5,122
Reserve Account	158,770,889
Inflation Adjustment Pension Reserve	19,116,505

An Investment Advisory Committee, consisting of the Superannuation Commissioner and the Director, Finance, Superannuation Commission, together with representatives from the Ministry of Finance and Corporate

Relations, and the British Columbia Government Employees Union, meets on a quarterly basis during the year to determine an investment strategy for the succeeding quarter.

The investment strategy is to achieve and maintain a total asset mix of 30% short-term and 70% long-term investments.

The Provincial Treasury provides financial services to the Pension Fund which includes safekeeping and registration of securities and investment management services. The Fund was charged $641,255 for these services.

Section 14 — All monies received and paid out under the provisions of this Act are shown in the statement of changes in fund balance and the assets and liabilities appertaining to the granting of superannuation allowances are shown in the statement of financial position. These financial statements are attached to this report.

Pursuant to the 1980 amendments to the Act, these financial statements reflect the creation of an Inflation Adjustment Account for the purpose of financing the annual inflation adjustment supplementary allowances.

Sections 15, 17, 18, 19, and 20 — During the year 1,284 allowances were granted as follows:

Normal retirement	1,196
Total and permanent disability	1
Deferred allowances	46
Dependents upon death in service	41

As at March 31, 1988 there were 1,488 former contributors with credits in the Fund who were eligible to apply for deferred superannuation allowances after attaining the minimum retirement age.

The present value of the 1,284 new allowances granted during the year under the Pension (Public Service) Act, in the amount of $133,647,253 was credited to the Contributory Pensions Account from the following sources:

	$
Members' Compulsory Contributions Basic accumulated with interest	33,171,782
Members' Voluntary Contributions Account with interest	272,569
Employer Contributions Account	100,202,902

Section 16 — Transfers totalling $855,753 were received from 1 reciprocal and 8 other pension funds in respect of 11 contributors upon grant of allowance and in respect of 29 contributors following transfer of service as follows:

		$
Upon grant of allowance—		
Municipal Superannuation Fund	11	92,970

During service—		
Municipal Superannuation Fund	2	2,242
Government of Canada Public Service Pension Account	11	219,966
Province of Alberta Public Service Pension Fund	6	65,324
Province of Ontario Pension Fund	2	95,293
Province of Saskatchewan Public Service Pension Fund	2	150,199
Province of Manitoba Public Service Pension Fund	2	62,994
HTS Hi-tech Systems Ltd.	2	70,613
B.C. Hydro and Power Authority Pension Fund	2	96,152

By special arrangement, Crown Life Insurance Company reimbursed the Fund amounts totalling $171,200 representing that portion of the superannuation allowances received by former employees of the Liquor Distribution Branch that had been purchased from the Company prior to August 1, 1961.

Transfers totalling $793,803 were made to 1 reciprocal and 5 other pension funds in respect of 30 contributors following transfer of service.

		$
During Service—		
Municipal Superannuation Fund	4	18,037
Province of Ontario Pension Fund	1	5,324
Government of Canada Public Service Superannuation Account	19	587,590
Province of Alberta Public Service Pension Fund	4	115,526
Province of Manitoba Public Service Pension Fund	1	5,367
Province of Saskatchewan Public Service Pension Fund	1	61,959

Sections 18(7), 22 and 23 — Refunds totalling $19,083,368 were granted in respect of 3,280 former contributors as follows:

		$
Resignations	2,710	16,906,475
Death in service	67	788,322
Excess and voluntary contributions on grant of allowance	159	1,273,198
Miscellaneous	344	115,373

Of the refunds granted, 62 were payable to former contributors who were entitled to leave their credits in the Fund in order to receive a deferred superannuation allowance after attaining the minimum retirement age.

Section 27 — Administration and actuarial expenses amounting to $1,579,862 were paid from the Fund.

An actuarial valuation of the assets and liabilities of the Fund is required to be made by an actuary from time to time at intervals of not more than five years. The most recent valuation was carried out as at March 31, 1987.

The valuation indicated an unfunded liability in respect of basic pension benefits of approximately $456,062,000 as of March 31, 1987. This represents a decrease of $99,796,000 since March 31, 1984.

Section 42 — Inflation adjustment supplements totalling $22,686,939 ($19,212,431 in 1986/87) were charged to the Contributory Pensions Account. The annual increases are tied to the consumer price index and are payable to the extent that the capitalized value is available in the Inflation Adjustment Account. Members and employers also each contribute 1.25% of salary to the Inflation Adjustment Account. Interest earnings attributable to funds held for the payment of contributory allowances in excess of the rate assumed by the actuary are also allocated to this Account.

Comparative, statistical and detail schedules of contributions, refunds and allowances granted and in force at the year end are attached to this report.

Sections 43, 44, 45 and 46 — Death Benefits Fund claims payments totalling $148,100 and sources of funds to this Fund are summarized in Schedule 9 attached to this report.

JOHN W. COOK, F.C.I.A.
Superannuation Commissioner

Legislative Assembly
Province of British Columbia

AUDITOR GENERAL

8 Bastion Square
Victoria
British Columbia
V8V 1X4
Telephone: (604) 387-6803
Fax: (604) 387-1230

AUDITOR'S REPORT

To the Superannuation Commissioner,

To the Minister of Government Management Services,
Province of British Columbia, and

To the Minister of Finance and Corporate Relations,
Province of British Columbia:

I have examined the statement of financial position of the Public Service Superannuation Fund as at March 31, 1988 and the statement of changes in fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1988 and the changes in the fund balance for the year then ended in accordance with the accounting principles described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Further, I have examined the transactions that came to my notice in the course of my examination of the financial statements to determine whether they were in accordance with the *Pension (Public Service) Act*. In my opinion, these transactions were, in all significant respects, in compliance with the Act.

GEORGE L. MORFITT, F.C.A.
Auditor General

Victoria, British Columbia
August 5, 1988

PUBLIC SERVICE SUPERANNUATION FUND

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 1988

	1988 ($ Thousands)	1987 ($ Thousands)
ASSETS	$	$
Cash	940	2,508
Accounts receivable	52,694	8,033
Due from Members of the Legislative Assembly Superannuation Account (Note 7)	1,050	9,488
Accrued interest	50,207	68,163
Investments (Note 3)	2,847,496	2,527,104
Deferred losses less gains on sale of investments (Note 4)	7,320	8,171
	2,959,707	2,623,467
LIABILITIES		
Accounts payable and accrued liabilities	1,092	763
FUND BALANCE		
Basic Account	2,643,151	2,339,150
Inflation Adjustment Account	315,464	283,554
	2,958,615	2,622,704
	2,959,707	2,623,467

The eight accompanying notes are an integral part of these financial statements.

Approved by:

JOHN W. COOK, F.C.I.A.,
Superannuation Commissioner

VICTOR BARWIN, C.A.,
Director, Finance, Superannuation Commission

PUBLIC SERVICE SUPERANNUATION FUND

STATEMENT OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 1988

	Basic Account	Inflation Adjustment Account	Totals 1988	Totals 1987
		($ Thousands)		
Fund Balance Increased by				
Contributions				
Employees				
Current	$ 55,670	$ 15,459	$ 71,129	$ 68,098
Voluntary	205	—	205	391
Purchase of service	682	—	682	203
Reinstatement	203	—	203	116
	56,760	15,459	72,219	68,808
Employers				
Province of British Columbia				
Current	59,533	10,677	70,210	67,914
Purchase of service	447	—	447	165
Reinstatement	199	—	199	127
Early Retirement Incentive Program (Note 5)	42,250	—	42,250	—
Other employers				
Current	26,992	4,770	31,762	29,796
Purchase of service	138	—	138	79
	129,559	15,447	145,006	98,081
Transfers from other funds	916	111	1,027	1,508
Transfers from Members of the Legislative Assembly Superannuation Account (Note 7)				
Capitalized value of contributory allowances	1,037	—	1,037	9,424
Inflation adjustment contributions	—	33	33	44
Income from investments	234,485	26,850	261,335	240,415
Total Increase	422,757	57,900	480,657	418,280
Fund Balance Decreased by				
Superannuation allowance payments				
Contributory	99,961	—	99,961	91,110
Inflation adjustment supplements	22,687	—	22,687	19,212
	122,648	—	122,648	110,322
Refunds	15,941	3,142	19,083	16,765
Transfers to other funds	691	103	794	370
Administration and actuarial fees	1,580	—	1,580	1,405
Investment management fees	571	70	641	786
Total Decrease	141,431	3,315	144,746	129,648
Net Increase Before Transfers	281,326	54,585	335,911	288,632
Transfers (Note 6)				
Capitalized value of inflation adjustment supplements granted (1987 — $37,030)	44,921	(44,921)	—	—
Capitalized value of indexing of highest average salary (1987 — $1,080)	960	(960)	—	—
Excess interest (1987 — $33,714)	(23,206)	23,206	—	—
	22,675	(22,675)	—	—
Net Increase In Fund Balance	304,001	31,910	335,911	288,632
Fund Balance at Beginning of Year	2,339,150	283,554	2,622,704	2,334,072
Fund Balance at End of Year	2,643,151	315,464	2,958,615	2,622,704

PUBLIC SERVICE SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 1988

1. DESCRIPTION OF THE PUBLIC SERVICE SUPERANNUATION PLAN

The following brief description of the plan is provided for general information only. For more complete information about the plan, reference should be made to the *Pension (Public Service) Act*.

(a) General

The plan is a defined benefit pension plan, whereby benefits are not linked directly to contributions. The plan is open to eligible employees of the public service and certain Crown Corporations, agencies, institutions and other employers to which the *Pension (Public Service) Act* applies.

(b) Contributions

Members contribute to the Basic Account 4¼% of salary up to the Canada Pension Plan's Year's Maximum Pensionable Earnings and 5¾% on earnings above that. Employers contribute to the Basic Account 6¾% of salary up to the Year's Maximum Pensionable Earnings and 8¼% on earnings above that. Members and employers also each contribute 1¼% of salary to the Inflation Adjustment Account which was created in 1980 to provide for the payment of inflation adjustment supplements.

(c) Retirement Benefits

Members are eligible for an unreduced pension at an age within 5 years of normal retirement age with at least 10 years contributory service, or at age 55 with 35 years contributory service. A reduced pension is payable at an age 10 years under normal retirement age with at least 10 years contributory service.

The plan provides for a pension of 2% of the highest 5-year average salary for each year of pensionable service (to a maximum of 35 years). At age 65, or date of death or disability, if earlier, there is a reduction in the formula as a result of integration with the Canada Pension Plan.

The inflation adjustment supplements are provided each January 1st and are related to the annual increase in the Consumer Price Index (CPI) as at the previous September 30th. The increase is pro-rated if the capitalized value of the increase exceeds the funds available in the Inflation Adjustment Account. As there were sufficient funds available at January1, 1988, a full CPI increase of 4.5% (1987 — 4.1%) to the basic lifetime portion of the contributory superannuation allowances in force was provided.

(d) Termination Benefits

A terminating employee may choose between leaving accumulated contributions on deposit or obtaining a refund. The refund includes interest credited. Employees with at least 10 years of contributory service who leave contributions in the Fund are entitled to deferred pension benefits. Terminating employees not withdrawing contributions may carry certain pension rights to other pension plans that have portability arrangements with the Public Service Superannuation Plan. New contributors may also, under portability arrangements, transfer contributions and service from other plans to provide for, or to increase, pension benefits under the Public Service Superannuation Plan.

(e) Other Benefits

Disability and survivor benefits are available under the plan.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) General Information

These financial statements have been prepared on the accrual basis of accounting. They show only the position of the Fund as at March 31, 1988 and the changes in Fund balance for

the year then ended and do not purport to show the adequacy of the Fund to meet the obligations of the superannuation plan. The results of the latest actuarial valuation of the plan are described in Note 8 below.

(b) Investments

(i) Short-term investments are carried at cost of acquisition.

(ii) Units in Pooled Investment Portfolios are carried at the cost of acquisition adjusted by income attributed to the units. Income attributed to the units represents the Fund's share of investment income earned by the Portfolios and is realizable by the Fund upon the sale of the units.

(iii) Long-term bonds and notes are those purchased with a term in excess of one year. They are carried at cost of acquisition adjusted by the amortization of discounts and premiums on a constant yield basis over the remaining terms of the bonds and notes. Discounts on serial bonds are recognized as income when redemptions occur.

(iv) Shares are carried at cost adjusted annually by 7% of the difference between cost or adjusted cost and market value.

(c) Deferred Losses Less Gains on Sale of Investments

Gains and losses on disposal of long-term bonds and notes are deferred and amortized on a straight line basis over the lesser of the remaining terms of the bonds and notes or twenty years. The amortization is charged against income from investments.

3. INVESTMENTS

The book value of investments held at the end of the year was as follows:

	1988	1987
	($ Thousands)	
Short-term investments	$ 33,513	$ 843,740
Units in Province of British Columbia Pooled Investment Portfolios	960,079	—
Long-term bonds and notes	1,831,426	1,661,784
Shares	22,478	21,580
	$2,847,496	$2,527,104

As at March 31, 1988, the market value of the units was $961,085,712 (1987 — nil), the market value of the long-term bonds and notes was $1,854,717,216 (1987 — $1,786,626,777) and the market value of the shares was $34,415,542 (1987 — $36,080,726).

4. DEFERRED LOSSES LESS GAINS ON SALE OF INVESTMENTS

	1988	1987
	($ Thousands)	
Balance at beginning of year	$ 8,171	$14,556
Gains less losses on sale of investments	902	5,134
	7,269	9,422
Amortization for the year	51	1,251
Balance at end of year	$ 7,320	$ 8,171

5. EARLY RETIREMENT INCENTIVE PROGRAM

The Province of British Columbia offered an early retirement incentive program to eligible employees during the period October 20, 1987 to March 31, 1988. Approximately 2,600 employees took advantage of this program. The Province will be contributing to the fund a lump sum payment to fund the waiver of the Plan's early retirement reduction formula for employees retiring before their normal retirement age. The amount of this benefit has been calculated at $42,250,000 and has been included in the Accounts Receivable as at March 31, 1988.

6. TRANSFERS

The Basic Account is increased by the capitalized value of inflation adjustment supplements and the capitalized value of the indexing of the highest average salary for employees electing deferred pensions during the year.

The Inflation Adjustment Account is increased by income that is earned on assets held in the Basic Account in respect of pensions being paid, and which is in excess of income calculated using the interest rate assumed by the Actuary.

7. TRANSFERS FROM THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

Former Members of the Legislative Assembly who have been granted superannuation allowances are paid contributory allowances and inflation adjustment supplements from the Public Service Superannuation Fund (the Fund).

A contributory allowance is financed at the time the allowance is first granted by the transfer to the Fund from the Members of the Legislative Assembly Superannuation Account (the Account) of the capitalized value of the superannuation allowance.

Former members receiving an allowance who are re-elected to the Legislature cease to receive an allowance and resume contributing to the Account. In addition, an amount equal to the capitalized value of their superannuation allowance is transferred from the Public Service Superannuation Fund to the Account.

During the year ended March 31, 1988, 2 Members (1987 — 22) were granted superannuation allowances. The capitalized value of these allowances was $1,035,766 (1987 — $9,424,137) which is due from the Account.

8. ACTUARIAL VALUATION

According to the Pension (Public Service) Act, an actuarial valuation of the assets and liabilities of the Fund is required to be made by an Actuary at least once in each consecutive period of not more than 5 years. The most recent valuation was carried out as at March 31, 1987. The valuation indicated a decrease in the unfunded liability in respect of basic pension benefits from $555,858,000 as of March 31, 1984 to $456,062,000 as of March 31, 1987. This decrease is the net result of a number of items, the most significant being greater than forecast income from investments, offset by experience gains and losses on other actuarial assumptions.

The contributions required under the pension plan were determined under a "level contribution" funding method. This method expresses employer contributions as a constant percentage of future payrolls that, together with future employee contributions and investment earnings, will finance the benefits for a typical new entrant to the plan and, in addition, will maintain the unfunded liability as a constant percentage of future payrolls.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 1—*Page 1 of 2*

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1988

	Par Value $	Book Value $	Market Value $
Government of Canada	761,492,000	688,461,140	712,557,790
Government of Canada guaranty			
Federal Business Development Bank	20,000,000	19,973,158	20,227,600
Export Development Corporation	14,000,000	13,992,295	14,234,150
Province of Alberta	23,200,000	22,988,152	22,866,558
Province of British Columbia	130,548,000	130,189,544	132,897,082
Province of Manitoba	75,760,000	74,982,719	75,738,611
Province of New Brunswick	2,000,000	1,998,332	2,018,050
Province of Nova Scotia	4,250,000	4,415,439	4,817,190
Province of Ontario	1,000,000	923,203	881,130
Province of Prince Edward Island	1,000,000	997,674	1,038,441
Province of Quebec	13,150,000	13,149,893	15,118,522
Province of Saskatchewan	60,826,000	60,658,905	58,981,637
Province of Alberta guaranty			
Alberta Municipal Finance Corporation	8,600,000	8,878,102	9,106,564
Alberta Telephone	3,366,000	3,344,524	3,248,675
Province of British Columbia guaranty			
British Columbia Hydro and Power Authority	314,090,850	310,094,854	296,307,564
British Columbia Railway Company	86,848,000	86,752,449	91,053,446
British Columbia Power Commission	38,000	33,669	31,763
British Columbia Educational Institutions Capital Financing Authority	1,025,000	1,025,000	1,047,109
British Columbia Regional Hospital Districts Capital Financing Authority	10,440,000	9,936,545	9,756,644
British Columbia School Districts Capital Financing Authority	19,000,000	18,969,036	20,431,661
British Columbia improvement districts	7,782,400	7,758,489	7,296,917
British Columbia municipalities	733,578	724,242	688,279
Municipal Finance Authority of British Columbia	5,000,000	5,000,000	5,101,665
Province of Manitoba guaranty			
Manitoba Telephone Systems	70,000	68,444	62,715
Province of New Brunswick guaranty			
New Brunswick Electric	2,000,000	2,187,551	2,158,454
Province of Newfoundland guaranty			
Newfoundland and Labrador Hydro-electric Corporation	700,000	696,680	645,980
Newfoundland Municipalities Capital Financing Authority	1,000,000	996,657	962,809
Province of Nova Scotia guaranty			
Nova Scotia Power Corporation	347,000	333,816	308,761

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 1—*Page 2 of 2*

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1988

	Par Value $	Book Value $	Market Value $
Province of Ontario guaranty			
Ontario Hydro-electric Power Commission	270,089,000	271,453,105	272,998,772
Province of Quebec guaranty			
Quebec Hydro-electric Commission	70,400,000	69,325,469	70,940,116
Eurobank guaranty			
World Bank Notes	1,000,000	994,330	1,049,500
Corporate Bonds			
B.C. Telephone Company	50,000	39,758	48,437
Consumers' Gas	50,000	39,992	46,640
Hudson's Bay Company Acceptance	50,000	42,347	47,984
Total Value of Bonds and Notes	1,909,905,828	1,831,425,513	1,854,717,216
Shares			
Bank of British Columbia (122,106)	—	1,068,978	105,011
British Columbia Telephone Company (1,215,844)	—	21,341,744	34,195,612
Canadian Pacific Limited (3,600)	—	41,607	83,700
Imperial Oil Limited (300)	—	13,802	17,775
International Nickel Company of Canada Ltd. (450)	—	12,088	13,444
Total Value of Shares	—	22,478,219	34,415,542
	1,909,905,828	1,853,903,732	1,889,132,758
1987 Comparisons	1,749,822,515	1,683,364,364	1,822,707,503

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 1—*Page 1 of 2*

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1988

	Par Value $	Book Value $	Market Value $
Government of Canada	761,492,000	688,461,140	712,557,790
Government of Canada guaranty			
Federal Business Development Bank	20,000,000	19,973,158	20,227,600
Export Development Corporation	14,000,000	13,992,295	14,234,150
Province of Alberta	23,200,000	22,988,152	22,866,558
Province of British Columbia	130,548,000	130,189,544	132,897,082
Province of Manitoba	75,760,000	74,982,719	75,738,611
Province of New Brunswick	2,000,000	1,998,332	2,018,050
Province of Nova Scotia	4,250,000	4,415,439	4,817,190
Province of Ontario	1,000,000	923,203	881,130
Province of Prince Edward Island	1,000,000	997,674	1,038,441
Province of Quebec	13,150,000	13,149,893	15,118,522
Province of Saskatchewan	60,826,000	60,658,905	58,981,637
Province of Alberta guaranty			
Alberta Municipal Finance Corporation	8,600,000	8,878,102	9,106,564
Alberta Telephone	3,366,000	3,344,524	3,248,675
Province of British Columbia guaranty			
British Columbia Hydro and Power Authority	314,090,850	310,094,854	296,307,564
British Columbia Railway Company	86,848,000	86,752,449	91,053,446
British Columbia Power Commission	38,000	33,669	31,763
British Columbia Educational Institutions Capital Financing Authority	1,025,000	1,025,000	1,047,109
British Columbia Regional Hospital Districts Capital Financing Authority	10,440,000	9,936,545	9,756,644
British Columbia School Districts Capital Financing Authority	19,000,000	18,969,036	20,431,661
British Columbia improvement districts	7,782,400	7,758,489	7,296,917
British Columbia municipalities	733,578	724,242	688,279
Municipal Finance Authority of British Columbia	5,000,000	5,000,000	5,101,665
Province of Manitoba guaranty			
Manitoba Telephone Systems	70,000	68,444	62,715
Province of New Brunswick guaranty			
New Brunswick Electric	2,000,000	2,187,551	2,158,454
Province of Newfoundland guaranty			
Newfoundland and Labrador Hydro-electric Corporation	700,000	696,680	645,980
Newfoundland Municipalities Capital Financing Authority	1,000,000	996,657	962,809
Province of Nova Scotia guaranty			
Nova Scotia Power Corporation	347,000	333,816	308,761

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 1—*Page 2 of 2*

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1988

	Par Value $	Book Value $	Market Value $
Province of Ontario guaranty			
Ontario Hydro-electric Power Commission	270,089,000	271,453,105	272,998,772
Province of Quebec guaranty			
Quebec Hydro-electric Commission	70,400,000	69,325,469	70,940,116
Eurobank guaranty			
World Bank Notes	1,000,000	994,330	1,049,500
Corporate Bonds			
B.C. Telephone Company	50,000	39,758	48,437
Consumers' Gas	50,000	39,992	46,640
Hudson's Bay Company Acceptance	50,000	42,347	47,984
Total Value of Bonds and Notes	1,909,905,828	1,831,425,513	1,854,717,216
Shares			
Bank of British Columbia (122,106)	—	1,068,978	105,011
British Columbia Telephone Company (1,215,844)	—	21,341,744	34,195,612
Canadian Pacific Limited (3,600)	—	41,607	83,700
Imperial Oil Limited (300)	—	13,802	17,775
International Nickel Company of Canada Ltd. (450)	—	12,088	13,444
Total Value of Shares	—	22,478,219	34,415,542
	1,909,905,828	1,853,903,732	1,889,132,758
1987 Comparisons	1,749,822,515	1,683,364,364	1,822,707,503

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 2

INVESTMENT INTEREST AND TRANSACTIONS

Comparative Statistics, April 1, 1978 to March 31, 1988

Year Ended March 31	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
	%	%	%	%	%	%	%	%	%	%
Net earned rate of the Fund	7.52	8.83	9.41	12.42	12.37	10.75	11.14	10.73	10.15	9.87
	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)
Income from investments	45,690	63,932	81,107	158,574	160,104	171,476	205,668	226,015	240,416	261,335
Net increase (decrease) in long-term investments										
Bonds — par value	112,948	73,199	214,221	(2,566)	106,694	116,672	84,611	485,174	201,914	160,083
Shares — book[1]	3,059	—	277	—	728	675	1,348	1,752	2,039	898
Fund balance	687,918	823,385	982,343	1,263,982	1,537,845	1,795,158	2,063,573	2,334,072	2,622,704	2,958,615

[1] In 1982/83 the government changed the basis of valuation of shares. Formerly carried at cost, shares are now carried at cost adjusted by 7% of the difference between the cost or adjusted cost and market value.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 3

Main Comparative Statistics, April 1, 1978 to March 31, 1988

Fiscal Year	Number of Contributors	Contributions				Member Refunds		Superannuation Allowances				
		Member									Amount Paid	
		Regular (3)	Voluntary Reinstatement and Military	Employer (3)	Refunds to Minister of Finance	Number	Amount	Number Granted	Deaths and Expirations	Number in Force at End of Year	Contributory	Inflation Adjustment Supplement (4)
		$	$	$	$		$				$	$
1978/79	43,020 3,243[1]	40,189,724	2,236,950	64,516,199	5,107,284	2,910	6,031,800	686 3[2]	107 1[2]	6,040 40[2]	21,421,711	6,531,972
1979/80	46,177 3,033[1]	44,547,242	1,756,615	71,025,484	7,490,209	3,856	8,727,191	694 7[2]	78	6,656 47[2]	25,582,534	8,615,903
1980/81	47,857 3,640[1]	54,348,447	1,273,020	78,503,914	4,503,644	4,075	12,248,437	709 1[2]	151 1[2]	7,214 47[2]	30,239,736	11,451,709
1981/82	49,057 3,944[1]	64,956,872	1,799,625	91,003,851	—	5,148	16,102,436	828	134	7,908 47[2]	48,484,023	1,254,158
1982/83	50,396 3,871[1]	71,961,004	1,003,865	106,667,203	—	2,845	9,646,423	825 1[2]	146	8,587 48[2]	54,636,332	6,279,568
1983/84	49,055 3,939[1]	70,323,298	1,666,010	100,493,730	—	3,448	14,616,005	952 9[2]	160	9,379 57[2]	62,038,243	10,789,647
1984/85	45,135 4,079[1]	66,712,654	945,024	95,774,735	—	4,888	24,310,679	1,509[5] 1[2]	146 1[2]	10,742 57[2]	74,001,929	13,571,346
1985/86	44,665 4,444[1]	66,414,967	724,549	95,445,475	—	2,912	15,217,071	1,046[5]	202 2[2]	11,586 55[2]	83,497,418	16,134,144
1986/87	45,019 5,020[1]	68,096,735	709,287	98,081,069	—	2,946	16,765,461	1,022 22[2]	203 3[2]	12,405 74[2]	91,110,174	19,212,431
1987/88	44,652 4,984[1]	71,126,866	1,090,521	145,005,832	—	3,280	19,083,368	1,284 2[2]	180	13,509 76[2]	99,960,875	22,686,939

[1] Non-active — out of service but account remains at credit.

[2] Allowances in respect of former Members of the Legislative Assembly.

[3] Member and employer contributions increased by 0.5% of salary effective October 1, 1980. Effective April 1, 1982, employer contributions were increased a further 2.5% of salary.

[4] Effective October 1, 1980, member and employer contributions each of 1.25% of salary are being credited to the Inflation Adjustment Account and used to finance the capitalized value of inflation adjustment supplements granted each January 1st.

[5] Included in the superannuation allowances granted for 1984/85 are 128 former contributors to the Pacific Coach Lines Ltd. Employees' Retirement Plan who are eligible to receive pension benefits paid under the *Pension (Public Service) Act*.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 4

Comparative Statistics, April 1, 1978 to March 31, 1988

Subdivided According to Sex of Contributor

Fiscal Year	Number of Contributors		Number of Refunds Granted		Allowances					
					Number of Allowances Granted		Number of Deaths and Expirations		Number of Allowances in Force At End of Year	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1977/78	24,640	15,964	1,223	1,758	387	177	74	40	4,150	1,311
Non-active	1,600	1,495								
1978/79	25,807	17,213	1,174	1,736	487	199	81	26	4,556	1,484
Non-active	1,686	1,557								
1979/80	26,670	19,507	1,722	2,134	471	223	26	52	5,010	1,646
Non-active	1,577	1,456								
1980/81	28,538	19,319	1,760	2,315	484	225	89	62	5,405	1,809
Non-active	1,661	1,979								
1981/82	28,791	20,266	2,324	2,824	626	202	49	37	5,982	1,974
Non-active	1,757	2,187								
1982/83	29,197	21,199	1,128	1,717	630	196	110	37	6,502	2,133
Non-active	1,944	1,927								
1983/84	28,584	20,471	1,354	2,094	722[1]	239	123[1]	37	7,101[1]	2,335
Non-active	1,968	1,971								
1984/85	26,383	18,752	2,132	2,756	1,151[2]	358[2]	119	27	8,133	2,666
Non-active	2,017	2,062								
1985/86	26,071	18,594	1,244	1,668	730	316	157	47	8,706	2,935
Non-active	2,157	2,287								
1986/87	26,148	18,871	1,290	1,656	756	288	153	53	9,309	3,170
Non-active	2,405	2,615								
1987/88	25,650	19,002	1,445	1,835	916	370	138	42	10,087	3,498
Non-active	2,412	2,572								

Non-active — out of service but account remains at credit

[1] 1983/1984 statistics restated to account for adjustment in MLA pensioners, restated to account for pension reinstatements

[2] 1984/85 new allowances granted include 101 male and 17 female pensioners transferred to the pension fund in respect of the transfer from the Pacific Coach Lines Ltd. Employees' Retirement Plan.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 5

Normal Allowances Granted April 1, 1987 to March 31, 1988

SUBDIVIDED BY YEARS OF SERVICE AND VALUE OF ALLOWANCE

Years of Service	Number of Allowances Granted	Average Salary During Last Five Years	Average Annual Allowance on Single Life Plan	Average Value of Allowance	Average Employee Share	Average Employer Share
		$	$	$	$	$
Under 10 years	80	31,824	3,203	36,346	10,570	25,776
10–14	392	26,268	4,513	50,265	17,068	33,197
15–19	210	27,780	6,763	76,214	22,317	53,897
20–24	189	29,016	9,153	104,090	27,310	76,780
25–29	97	29,616	12,100	141,873	31,605	110,268
30–34	129	31,020	15,904	183,778	39,686	144,092
35 and over	91	33,420	19,510	234,719	43,317	191,402
AVERAGE OF NORMAL ALLOWANCES GRANTED DURING YEAR						
	61 (Age)	30,804	8,630	99,180	24,977	74,203
TOTAL VALUE OF NORMAL ALLOWANCES GRANTED DURING YEAR						
	1,196	—	10,321,993	118,618,911	29,872,894	88,746,017

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 6

Normal Allowances Granted April 1, 1987 to March 31, 1988

GRANTED TO FORMER CONTRIBUTORS WHOSE MAXIMUM RETIREMENT AGE WAS 65

Years of Service	Age at Retirement												Total	Percent
	Under 55	55	56	57	58	59	60	61	62	63	64	65		
Under 10	—	2	2	6	7	3	12	6	4	5	8	16	71	6
10–14	1	16	16	14	17	17	56	24	25	33	48	101	368	33
15–19	—	12	10	13	10	13	31	15	14	12	29	48	207	18
20–24	1	7	10	7	5	14	28	14	11	13	15	42	167	15
25–29	—	11	8	8	8	5	17	9	5	7	8	9	95	8
30–34	—	16	8	11	12	5	29	15	11	3	7	11	128	11
35 and over	—	25	16	10	7	9	5	2	5	3	3	11	96	9
Total	2	89	70	69	66	66	178	85	75	76	118	238	1,132	
Percent	—	8	6	6	6	6	16	8	7	7	10	20		100

GRANTED TO FORMER CONTRIBUTORS WHOSE MAXIMUM RETIREMENT AGE WAS 60

Years of Service	Age at Retirement												Total	Percent
	Under 50	50	51	52	53	54	55	56	57	58	59	60		
Under 10	—	—	—	—	—	—	—	—	—	—	1	2	3	5
10–14	—	—	1	1	—	1	3	1	1	1	2	4	15	23
15–19	—	—	—	—	—	—	1	—	1	1	2	3	8	13
20–24	—	2	—	—	—	1	4	3	2	3	4	3	22	34
25–29	—	1	—	1	2	—	—	—	—	—	—	2	6	9
30–34	—	—	—	—	1	1	5	—	1	—	—	1	9	14
35 and over	—	—	—	—	—	—	—	—	1	—	—	—	1	2
Total	—	3	1	2	3	3	13	4	6	5	9	15	64	
Percent	—	5	2	3	5	5	20	6	9	8	14	23		100

Allowances Other Than Normal Granted April 1, 1987 to March 31, 1988

Number of Allowances Granted	Death	Disability	Deferred
88	41	1	46

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 7

Approved and Reciprocal Employers as at March 31, 1988

APPROVED EMPLOYERS

Section 18 (4) (a) provides for the granting of a deferred allowance to a contributor who within three years of his last contribution to the Fund enters the employment of one or more of the following employers, remains in employment long enough to qualify for a monthly pension benefit and has at least 10 years combined contributory service under this plan and the pension plan of the approved employer —

	Effective Date
Bricklayers and Masons Pension Plan	November 16, 1984
B.C. Agricultural Research and Development Corporation Ltd.	July 29, 1987
B.C. Central Credit Union	December 4, 1974
B.C. Railway Company	June 10, 1963
B.C. Rapid Transit Company Ltd. — Management Employees	July 25, 1985
B.C. Research Council	March 3, 1988
City of Calgary	July 13, 1972
Federal Business Development Bank	July 29, 1987
Government of Canada	June 24, 1955
HTS Hi-tech Systems Ltd.	December 20, 1984
Legislative Assembly of the Province of British Columbia	June 10, 1963
Pacific Coach Lines (formerly Vancouver Island Coach Lines)	April 1, 1979
Pacific Press Limited	July 14, 1960
Simon Fraser University	September 18, 1980
University of British Columbia	August 20, 1962
University of Saskatchewan Research Pension Plan	October 29, 1986
University of Toronto	November 26, 1986
University of Victoria	December 21, 1970

AGREEMENTS NEGOTIATED WITH OTHER EMPLOYERS

Section 38 (4) provides that the Commissioner may enter into an agreement for the transfer of funds in respect of an employee who transfers to or from the service of the following employers —

B.C. Hydro and Power Authority	September 14, 1970
Canada Museums Construction Corporation	January 5, 1987
Canadian Broadcasting Corporation	July 2, 1981
Central Mortgage and Housing Corporation	March 6, 1975
Government of Canada	June 24, 1955
HTS Hi-tech Systems Ltd.	December 20, 1984
Province of Alberta	October 19, 1976
Province of Alberta — Management Positions	May 5, 1977
Province of Manitoba	February 17, 1975
Province of New Brunswick	December 11, 1974
Province of Newfoundland	September 23, 1980
Province of Nova Scotia	September 29, 1986
Province of Ontario	August 4, 1971
Province of Prince Edward Island	March 1, 1979
Province of Saskatchewan	May 2, 1977

RECIPROCAL EMPLOYERS

Section 16 provides for the method of calculating the monthly pension benefit for an employee who within three years of making his last contribution to the Fund transfers to or from the service of the following British Columbia reciprocal employers and commences contributing to the pension plan —

An employer under the *Pension (College) Act*	April 1, 1973
An employer under the *Pension (Municipal) Act*	April 1, 1973
An employer under the *Pension (Teachers) Act*	April 1, 1973
Workers' Compensation Board	June 5, 1974

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 8

Approved Group Disability Salary Continuance Plans as at March 31, 1988

APPROVED PLANS

Section 1 provides for the approval of group disability salary continuance plans by the Provincial Secretary. Section 15 (7) provides that any period during which a contributor receives benefits from an approved plan, is treated as a period of pensionable service for the purposes of the *Pension (Public Service) Act* in respect of the following employers —

Employer	Date Plan Approved
B.C. Assessment Authority	October 14, 1976
B.C. Institute of Technology	July 25, 1977
Emergency Health Services Commission	January 6, 1978
Public Service Long Term Disability Plan	April 26, 1978
Metro Transit Operating Company	June 10, 1980
Workers' Compensation Board (Boards of Review)	October 10, 1980
B.C. Government Employees' Union	May 27, 1981
B.C. Housing Management Commission	July 6, 1981
B.C. Enterprise Corporation	April 10, 1984
Pacific Coach Lines Ltd.	October 24, 1984

PENSION (PUBLIC SERVICE) ACT

SCHEDULE 9

DEATH BENEFITS FUND

SECTION 43–46

Any contributor who is eligible for an allowance under the *Pension (Public Service) Act* or the *Legislative Assembly Allowances and Pension Act* may elect, on or before the day on which their allowance is granted, to purchase insurance coverage under the Death Benefits Fund. The cost to each contributor is $1.00 per month. Benefits payable upon death are dependent on the age of the participant:

	$
Less than 66	1,000
66 but not 67	900
67 but not 68	800
68 but not 69	700
69 but not 70	600
70 or over	500

Summary of Claims Paid for the Year Ended March 31, 1988

Number of Claims	Amount of Claims $	Total $
157	500	78,500
8	600	4,800
10	700	7,000
10	800	8,000
12	900	10,800
39	1,000	39,000
236		148,100

Summary of Sources of Funds for the Year Ended March 31, 1988

	$
Contributions by superannuants	107,396
Contributions by Government	40,704
	148,100

9,420 superannuants were contributing as at March 31, 1988.

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